

CIA/RR CB-62-2

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Copy No. 28
4 January 1962

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CURRENT SUPPORT BRIEF

STATE COMMITTEES IN SOVIET INDUSTRY AND CONSTRUCTION

OFFICE OF RESEARCH AND REPORTS

CENTRAL INTELLIGENCE AGENCY

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STATE COMMITTEES IN SOVIET INDUSTRY AND CONSTRUCTION

In December 1961 the USSR set up two new state committees, one for ferrous and non-ferrous metallurgy and one for fuels. 1/ This nearly completes the process, which began with the industrial reorganization of 1957, of covering all of industry and construction with central committees to promote technological development and cope with operational problems on a branch-of-industry basis. The increasing use of state committees to provide these services for individual branches appears to be an attempt to combine some of the better features of the former ministerial form of administration with the advantages of the regional form of economic organization.

The system of state committees, however, has not modified significantly the basic concept of the sovnarkhoz system established in 1957. Their creation has deprived neither the sovnarkhozes of their administrative authority over enterprises and construction sites nor the planning agencies of their authority over the planning of production and supply.

State committees, which lack the strong planning influence and the direct administrative authority formerly exercised by the ministries, are compatible with the sovnarkhoz system in that they lack the power to build up excessive branch-of-industry rigidities which were a major detraction of the ministerial system. For much the same reason, however, they have been handicapped in treating some of the problems encountered by individual branches. To the extent, therefore, that the two most recent committees, whose functions have not been announced, were created in the image of their predecessors, they cannot be expected to cope successfully with all of the current problems of the metallurgical and fuels industries. Nevertheless, the state committee system apparently has proven useful in other branches of industry in improving the balance between branch interests, on the one hand, and territorial interests, on the other. Its extension to the important metallurgical and fuels industries can be expected to have similar results.

The necessity of coordinating the economic development of industry and construction on a branch-of-industry basis was recognized at the time of the 1957 administrative reorganization which abolished most of the central ministries in these areas and placed the majority of industrial enterprises and construction projects under the administrative subordination of the newly created sovnarkhozes or republican ministries. The branch departments of the USSR Gosplan were strengthened, many of the personnel of the abolished ministries were absorbed by Gosplan, and the heads of some of the more important branch departments of Gosplan were given ministerial rank. 2/ Apparently it was assumed that these measures would promote adequate consideration of branch development problems. Some Soviet writers even protested that the ministerial system in miniature, had been recreated within Gosplan. Although these comments arose largely from those with a personal stake in the new sovnarkhoz system and probably were exaggerated, it was clear that branch interests were not to be completely sacrificed in favor of the territorial principle.

Arrangements in 1957 for promoting the orderly development of certain branches of extreme national importance were more elaborate. The ministries of the defense-related industries--aviation, defense,

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shipbuilding, medium machine building, and radiotechnical--and the ministries of the high priority chemical industry and electric power stations were retained, although enterprises and organizations under their jurisdiction were transferred to the jurisdiction of appropriate sovnarkhozes in accordance with a list approved by the Council of Ministers. 3/ These retained ministries were assigned the functions of planning for their respective branches of industry and of ensuring high technical standards in the development of production, although the exercise of these functions was restricted by the stipulation that they were to be carried out through the sovnarkhozes. Furthermore, the appropriate branch-of-industry departments and summary planning sections of the USSR Gosplan continued to engage actively in the planning of branch requirements.

The subsequent replacement of the majority of these retained ministries by state committees (see graphic) has provided continued central attention to branch interests in these industries. Although the sensitive nature of most of these industries has limited the discussion in Soviet sources of the functions of these committees, it has become increasingly apparent that their activities primarily have been devoted to problems of technological development. The State Committee for Chemistry, less directly related to the military effort than some of the other committees, and hence, more frequently discussed, has been described in the following manner:

The Committee provides for the general development and execution of proper technical ideas in the chemical industry...It effects technical and economic solutions of development problems in the industry; determines the effectiveness of the uses of chemical products in the national economy; and provides engineering design for the enterprises in the chemical industry now being rebuilt or newly constructed. The Committee develops plans for scientific-research projects, for design and experimental work, as well as technical requirements for the production of chemical raw materials. The Committee renders technical assistance to the sovnarkhozes in the initiation and establishment of production in the newly built plants of the chemical industry. The Committee promotes economic ties and scientific-research cooperation in the chemical field between the USSR and other countries. It studies and disseminates literature on achievements in the chemical sciences. The Committee directly administers pilot plants, scientific-research institutes and engineering organizations, independent of their territorial location. 4/

This description, which closely follows the listing of functions stated in the government decree establishing the committee, 5/ is similar to the picture suggested by the limited information available regarding the activities of other state committees. The main burden of economic planning--planning for the production of established commodities and the distribution of that production--continues to be conducted by central planning agencies along the same lines as those of the administrative subordination of enterprises under the sovnarkhoz system. It is not surprising, therefore, that the planning agencies were the butt of strong criticism at the recent Party Congress, particularly in regard to widespread difficulties stemming from poor coordination of supply plans and production plans. The solution of this coordination problem, however, apparently does not lie in the state committee system as presently constituted.

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Nowhere is this more obvious than in the case of the State Committee for Construction Affairs (Gosstroy). This committee, in existence since 1950, is unique among present industrial committees in that it is not an outgrowth of the 1957 reorganization. Despite the long exposure of the construction industry to the services of this committee, construction activity continues to be plagued with more coordination and planning problems than most other areas. Although such problems are more numerous perhaps in construction than in industry because of the greater diversity of administrative subordination of construction activity, the persistence of numerous chronic problems in construction suggests at least that Gosstroy has no more authority over these functions than the other State Committees.

The State Committee for Automation and Machinebuilding was created in February 1959 to promote the development of higher levels of technology throughout the economy and was given a broad mandate to develop advanced designs of machinery and equipment and to work out plans for mechanization and automation. A resolution of the Council of Ministers in October 1959, 6/ however, which enumerated the functions of the Committee, indicated that most of its activities were to be performed in cooperation with the USSR and republic gosplans, the sovnarkhozes, ministries, departments, and other economic organizations.

The Committee was to work with Gosstroy in confirming plans for construction of new enterprises in machinebuilding and in examining the automation and mechanization aspects of new construction in other areas of the economy; it was to work with sovnarkhozes and ministries in examining plans for production of new machinery submitted by these organizations to USSR Gosplan for approval; and it was to work with USSR Gosplan in the establishment of production standards and norms and in the working out of control figures to be used as guidelines by sovnarkhozes and enterprises in planning machinebuilding programs. The Committee's competence to review plans and make proposals was to stem largely from its assigned responsibilities to conduct research in its own institutes and to manage experimental plants and pilot enterprises.

The Committee was assigned the task of preparing, on the basis of draft plans of republic councils of ministers, ministries, and departments, plans for the creation and introduction of new techniques of national importance and plans for increasing the output of new kinds of equipment together with the production of existing types. Preparation of such sub-aggregated plans for submission to USSR Gosplan is analogous to the preparation of plans sub-aggregated on a territorial basis by sovnarkhozes and other organizations for further treatment by summary sections, branch-of-economy departments, and material-technical supply administrations of Gosplan. This arrangement presumably has increased the amount of detailed attention to the various cross-sections of the economic plan with a minimum of obfuscation either to the overall focus and authority of the central planning agency or to the regional administrative orientation of the sovnarkhoz system.

With the creation of the State Committee on Electronic Techniques in March 1961 and the committees for metallurgy and fuels in December 1961, the branch-of-industry committee system has been extended to include the activities formerly represented by 23 of

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the 30 ministries abolished in 1957. The creation of 2 or possibly 3 additional committees could complete the system; one committee to represent the activities formerly covered by the ministries of the food, meat and dairy, fish, and light industries, and one for timber, wood processing, and construction materials, with the latter possibly represented by a separate committee.

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**CENTRAL MINISTRIES AND STATE COMMITTEES
IN SOVIET INDUSTRY AND CONSTRUCTION**

Before 1957 Reorganization	After 1957 Reorganization				
	1957	1958	1959	1960	1961
Ministry of Aviation Industry					State Committee on Aviation Technology
Ministry of Defense Industry					State Committee on Defense Technology
Ministry of General Machine Building					
Ministry of Shipbuilding					State Committee on Shipbuilding
Ministry of Chemical Industry					State Committee on Chemistry
Ministry of Medium Machine Building					Ministry of Medium Machine Building
Ministry of Radiotechnical Industry					State Committee on Radioelectronics
Ministry of Construction					
Ministry of Construction of Metallurgical and Chemical Enterprises					
Ministry of City and Rural Construction					State Committee of Construction Affairs (Gosstroy)
Ministry of Construction of Coal Industry Enterprises					
Ministry of Construction of Petroleum Industry Enterprises					
Ministry of Transport Construction					Ministry of Transport Construction
Ministry of Electric Power Stations					Ministry of Construction of Electric Power Stations
Ministry of Heavy Machine Building					
Ministry of Construction Equipment and Road Machine Building					
Ministry of Transport Machine Building					
Ministry of Machine Tool Industry					State Committee on Automation and Machine Building
Ministry of Automobile Industry					
Ministry of Tractor and Agricultural Machine Building					
Ministry of Instrument Building and Automation Devices					
Ministry of Machine Building					
Ministry of Electrotechnical Industry					State Committee on Electronic Techniques →
Ministry of Ferrous Metallurgy					
Ministry of Nonferrous Metallurgy					State Committee on Metallurgy →
Ministry of Coal Industry					
Ministry of Petroleum Industry					State Committee on Fuels →
Ministry of Construction Materials Industry					
Ministry of Timber Industry					
Ministry of Wood Processing Industry					
Ministry of Food Industry					
Ministry of Meat and Dairy Industry					
Ministry of Fish Industry					
Ministry of Light Industry					

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Ministries

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State Committees

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